

FISCAL NOTE

HB 755 - SB 1185

March 7, 2007

SUMMARY OF BILL: Requires health insurance policies to offer infertility treatment coverage to the same extent as pregnancy related benefits coverage.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$1,000,000

Increase Local Govt. Expenditures – Exceeds \$1,000,000*

Potential Impact on Health Insurance Premiums (required by Tenn. Code Ann. § 3-2-111): Such legislation would result in an increase in the cost of health insurance premiums which is estimated to exceed \$1,000,000 for plans that do not currently offer infertility treatment to the same extent that pregnancy related benefits are offered.

A more precise cost estimate is not possible because the Department of Finance and Administration Division of Insurance Administration has not provided any information to assist in the preparation of this fiscal note.

Assumptions:

- The Department of Commerce and Insurance will not incur a significant increase in expenditures for regulation and investigations of the provisions of the bill to determine insurance companies are providing the required coverage. Any increase can be absorbed within existing resources.
- The State, Local Education and Local Government Health Plans do not currently cover infertility treatments. These plans cover approximately 267,000 individuals. The state pays approximately 80% of the premium for state employees. The local government which chooses to participate in the state sponsored health plans determines the portion of the premium that will be paid for their employees.
- It is estimated that the increase in state expenditures for the State, Local Education, and Local Government Health Plans will exceed \$1,000,000 to provide coverage for infertility treatments.

- Local governments that do not participate in the state offered local government health plan will incur an increase in local government expenditures which is estimated to exceed \$1,000,000.
- The legislation exempts the TennCare program from the provisions.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director